

**Item #4:**  
**Ord. Approving Sale Of Archer Outlots To Pinnacle**

**VILLAGE OF LONG GROVE**

**ORDINANCE NO. 2015-O-\_\_**

**AN ORDINANCE APPROVING APURCHASE AND SALE  
AGREEMENT FOR THE ARCHER ROAD LOTS IN THE LONG GROVE  
DOWNTOWN/IL RT. 83 REDEVELOPMENT PROJECT AREA**

Adopted by the President and Board of  
Trustees of the Village of Long Grove on  
this \_\_\_th day of \_\_\_\_\_, 2015

Published in pamphlet form by direction and  
authority of the Village of Long Grove,  
County of Lake, State of Illinois,  
this \_\_\_th day of \_\_\_\_\_, 2015

VILLAGE OF LONG GROVE

ORDINANCE NO. 2015-O-\_\_

**AN ORDINANCE APPROVING A PURCHASE AND SALE AGREEMENT FOR THE ARCHER ROAD LOTS IN THE LONG GROVE DOWNTOWN/IL RT. 83 REDEVELOPMENT PROJECT AREA**

**WHEREAS**, pursuant to 65 ILCS 5/11-74.4-1 *et seq.* (the “**TIF Act**”), the Village of Long Grove (the “**Village**”) has adopted a redevelopment plan (the “**TIF Plan**”) and designated a redevelopment project area (the “**TIF District**”) for purposes of stimulating and encouraging the redevelopment and improvement of properties and the tax based within the TIF District; and

**WHEREAS**, prior to the establishment of the TIF District, the Village had acquired a certain parcel of land commonly known as the Archer parking lot; and

**WHEREAS**, consistent with the TIF Plan, the Village did cause the Archer parking lot to be redesigned and improved, resulting in the creation of a new street linking portions of the downtown and thereby creating four new parcels for future retail-commercial development within the TIF District (the “**Archer Road Lots**”); and

**WHEREAS**, in order to increase the taxable land values within the TIF District and strengthen the sales tax base of the Village, the Village Board of Trustees (the “**Village Board**”) has marketed the Archer Road Lots for development; and

**WHEREAS**, over the years, the Village Board has received several offers for the purchase of the Archer Road Lots; and

**WHEREAS**, the Village Board has recently received a proposal for the purchase of the Archer Road Lots, and has negotiated a Purchase and Sale Agreement (a “**PSA**”) therefor, with Pinnacle Capital Archer, LLC (“**PCA LLC**”); and

**WHEREAS**, the PSA with PCA LLC contains provisions that would: (i) return the Archer Road Lots to the tax rolls; (ii) provide for a maximum equalized assessed valuation for the

Archer Road Lots following their purchase; (iii) result in the installation of a water line along Robert Parker Coffin Road from Illinois Route 83 to Archer Road; (iv) provide for restaurant or other acceptable retail developments on the Archer Road Lots, which will serve as a draw for other related commercial activity in downtown Long Grove while enhancing the real estate and sales tax bases within the Village; and (v) provide incentives for the accelerated development of the Archer Road Lots, which will benefit the Village's General Fund revenues and serve to maximize the incremental revenues resulting from the TIF District; and

**WHEREAS**, pursuant to Section 11-74.4-4 (b and c) of the TIF Act, the Village has authority to enter into contracts in furtherance of the goals of the TIF Plan, as well as to dispose of properties in order to enhance the incremental revenue from the TIF District; and

**WHEREAS**, the Village Board, having reviewed and considered the PSA with PCA LLC, has determined that approving and executing the PSA is in the best interests of the Village and its residents and will further goals and objective of the TIF Plan;

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, COUNTY OF LAKE, STATE OF ILLINOIS, AS FOLLOWS:**

**SECTION ONE.**      **Recitals.**      The foregoing recitals are incorporated into this Ordinance as the findings of the President and Board of Trustees.

**SECTION TWO.**      **Approval of PSA; Authorization.**

(a)      **Approval.**      The Village Board hereby approves the PSA with Pinnacle Capital Archer, LLC in substantially the form attached hereto as Exhibit A.

(b)      **Authorization.**      The Village President (or the Village Manager as the President's designee) is hereby authorized and directed to sign on behalf of the Village the PSA; provided that the Village first receives from Pinnacle Capital Archer, LLC a signed version of the PSA in substantially the form as Exhibit A.

(c) Implementation. Following the execution in full of the PSA by Pinnacle Capital Archer, LLC and the Village, the Village Manager, Village Attorney, and Village Engineer (as well as any other officers and officials of the Village as the Village Manager determines is necessary or appropriate) are hereby authorized and directed to do, or cause to be done, all things necessary to effect the closings of the Archer Road Lots under the PSA.

**SECTION THREE. Effective Date.** This Ordinance shall be in full force and effect after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

AYES:            ( )  
NAYS: ( )  
ABSENT:       ( )  
ABSTAIN:       ( )

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
Angela Underwood, Village President

ATTEST:

\_\_\_\_\_  
Heidi Locker-Scheer, Village Clerk

**EXHIBIT A**

**Purchase and Sale Agreement**

DRAFT

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT ("Agreement")** is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2015 ("**Effective Date**") by and between the Village of Long Grove, an Illinois municipal corporation ("**Village**"), **PINNACLE CAPITAL ARCHER L.L.C.**, an Illinois limited liability company ("**Pinnacle**") (collectively, the Village and Pinnacle may hereinafter be referred to as the "**Parties**").

### R E C I T A L S

A. The Village currently owns fee simple title to four parcels of real estate located in Long Grove, Illinois, legally described in Exhibit A-1 ("**Parcel 1**"), Exhibit A-2 ("**Parcel 2**"), Exhibit A-3 ("**Parcel 3**"), and Exhibit A-4 ("**Parcel 4**"), which exhibits are attached hereto and made a part hereof (collectively, Parcels 1-4 shall hereinafter be referred to as the "**Land**").

B. The Land is currently vacant. No potable water through a public water system is currently available to the Land.

C. The Land is located within a Tax Increment Financing District of the Village of Long Grove (the "**TIF District**"). The prompt development of the Land has significance to the success of the TIF District.

D. Pinnacle desires to acquire Parcel 1, and to secure rights to acquire Parcels 2-4, subject to the terms and conditions of this Agreement.

E. The Village desires to sell the Land (or portions thereof, as more specifically set forth in this Agreement) to Pinnacle for development in accordance with the terms and conditions hereinafter set forth.

F. Pinnacle is a related entity to Sunset Grove LLC ("**Sunset Grove**"), which has developed other property within the TIF District, and which has previously entered into a Redevelopment Agreement (as amended) with the Village (the "**RDA**"). The Village is willing to discharge certain obligations of Sunset Grove under the RDA, subject to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereby agree as follows:

#### **PART I: GENERAL TERMS AND CONDITIONS OF TRANSACTIONS.**

1. Sequential Transactions. The Pinnacle shall acquire Parcel 1, and shall have the right to acquire Parcels 2-4, in not more than four separate "**Takedowns**." The specific terms for each Takedown shall be as hereinafter provided.

2. Parcel 1 Takedown. Within 45 days after the Effective Date of this Agreement, Pinnacle agrees to acquire Parcel 1 for a purchase price of \$20,000.00 (the "**Parcel 1 Closing**"), and subject to the terms and conditions in Part II of this Agreement, as well as the following conditions:

a. Development Limitations. Pinnacle will not be entitled to a building permit for any structure on Parcel 1 unless it is served with potable water via the Water Line described below.

b. Water Service. By December 31, 2016, Pinnacle must construct at its sole cost a water service line for the benefit of Parcel 1 only along Robert Parker Coffin

Road from Route 83 to Old McHenry Road (the "**Water Line**") in accordance with the following terms:

- i. The Water Line will be a private undertaking of Pinnacle, but it will be constructed pursuant to plans designed by the Village Engineer and approved by the Village, all at the sole expense of, Pinnacle. The Water Main will also be constructed by a contractor that is subject to the Village's approval. The estimated cost of the Water Line construction is \$800,000.00 (the "**Water Line Cost**"). To the extent that the Village Engineer certifies that the reasonable Water Line Cost exceeds \$800,000.00, such additional cost shall be referred to as the "**Water Line Supplemental Expense**." To the extent that the Village Engineer certifies that the reasonable Water Line Cost is less than \$800,000.00, such lesser amount shall be referred to as the "**Water Line Savings**."
  - ii. The Village will waive all connection fees with respect to the water service connection for Parcel 1, except the recapture fee due to Sunset Grove as approved by Village Resolution No. 2015-R-21 (the "**Sunset Recapture**").
- c. Village Option to Acquire Water Line. Within 120 days after the completion of the Water Line (the "**Option Period**"), the Village shall have the exclusive option to purchase the Water Main from Pinnacle for use as a public main. The Village may exercise its right to acquire the Water Line by notifying Pinnacle in writing during the Option Period of its intention to purchase the Water Line (the "**Option Exercise**").
- i. In the event that of the Option Exercise, closing on the Village's purchase of the Water Line shall occur within 30 days after the Village's Option Exercise (the "**Water Line Closing**"). Pinnacle shall convey the Water Line to the Village free from all liens and other encumbrances, and Pinnacle shall deliver documentation satisfactory to the Village establishing the same. The purchase price for the Water Line shall be an amount not to exceed \$1,250,000.00 plus any Water Line Supplemental Expense or minus any Water Line Savings, payable as follows:
    - A. \$400,000.00 (plus any Water Line Supplemental Expense or minus any Water Line Savings) payable at the Water Line Closing,
    - B. \$50,000.00 payable at the closing of the Parcel 2 Takedown;
    - C. \$200,000.00 payable at the closing of the Parcel 3 Takedown; and
    - D. \$600,000.00 payable at the closing of the Parcel 4 Takedown.In the event that Pinnacle purchases fewer than all of Parcels 2-4 of the Land in accordance with this Agreement, then the Village shall have no obligation to pay any additional sums for the Water Line that would otherwise be due at the closing of the Takedown for such other parcels of the Land.
  - ii. In the event that the Village purchases the Water Line, Village shall have the sole right to impose connection and/or recapture fees (exclusive of the Sunset Recapture).

d. No Option Exercise. In the event that the Village fails to exercise its option to acquire the Water Line within the Option Period, then:

- i. The Village will be deemed to have waived repayment of the "Deferred Amount" that Sunset Grove is required to pay under the RDA (see Part II, Section 5 below); and
- ii. Pinnacle shall have the right to purchase Parcels 2-4 within 45 days after the expiration of the Option Period for a total amount of \$30,000.00, subject to the terms and conditions set forth in Part II of this Agreement. Purchaser shall have no right to purchase fewer than all of Parcels 2-4.

3. Parcel 2 Takedown. Within 45 days after the Water Line Closing, Pinnacle shall acquire Parcel 2 for \$425,000.00 (the "**Parcel 2 Closing**"), subject to: (a) the terms and conditions in Part II of this Agreement; and (b) Pinnacle will not be entitled to a building permit for any structure on Parcel 2 unless it is served with potable water via the Water Line.

4. Parcel 3 Takedown. Within 45 days after the Parcel 2 Closing, Pinnacle shall acquire Parcel 3 for \$425,000.00 (the "**Parcel 3 Closing**"), subject to: (a) the terms and conditions in Part II of this Agreement; and (b) Pinnacle will not be entitled to a building permit for any structure on Parcel 3 unless it is served with potable water via the Water Line.

5. Parcel 4 Takedown. Within 45 days after the Parcel 3 Closing, Pinnacle shall acquire Parcel 4 for \$425,000.00 (the "**Parcel 4 Closing**"), subject to: (a) the terms and conditions in Part II of this Agreement; and (b) Pinnacle will not be entitled to a building permit for any structure on Parcel 4 unless it is served with potable water via the Water Line.

6. Continued Effect. The provisions of Part I of this Agreement shall survive the closing of any of the Parcels of the Land and shall not be merged into the Deed.

## **PART II: DEVELOPMENT CONDITIONS.**

1. In General. In the event that Pinnacle closes on any of Parcels 1-4 of the Land, the use and development of such Parcels 1-4 (or any of them) shall be subject to the additional terms and conditions set forth in this Part II of the Agreement.

2. Restrictive Covenant: At the closing of any of Parcels 1-4, Pinnacle shall execute a "**Restrictive Covenant**" that shall be recorded contemporaneously with the Deed (as hereinafter described) for such parcel of the Land. The final terms and conditions of the Restrictive Covenant must be mutually agreed upon by the parties prior to the Parcel 1 Closing, but the Restrictive Covenant shall be enforceable by the Village and shall provide, *inter alia*:

- a. Building Requirements and Restrictions. Any development on any of the Parcels of the Land shall be undertaken in accordance with the applicable Village development regulations. In addition, no buildings shall have a minimum gross floor area of less than 4,000 square feet for a single story building, and all buildings shall be subject to Village Board approval of the exterior appearance.
- b. Use Restrictions. Each of the Parcels on the Land shall only be used for restaurant or such other use as the Village Board may approve by resolution. Banks shall not be an allowable use on any of the Parcels.
- c. Utility Service. None of the Parcels on the Land shall be allowed to develop except upon connection to a public sanitary sewer and potable water service via the Water Line (or an extension thereof). If any two of the Parcels on the Land are developed together (which will require special zoning and/or subdivision

approvals from the Village), the minimum building size on such combined lot shall be 10,000 square feet.

- d. Waiver of Assessment Protests: The owner of the Parcels on the Land shall be barred from challenging (or causing a challenge to be made to) any assessment of Parcel 1, 2, 3, and/or 4 prior to the issuance of a certificate of occupancy for a principal building on such parcel, unless such assessment reflects a market value of at least \$637,500.00.
- e. Termination. The Restrictive Covenant shall expire upon the termination of the TIF District. Thereafter, upon written request of the owners of the Parcels of the Land, the Village agrees to execute a release of the Restrictive Covenant.

3. Identification Signage: Pinnacle will install a downtown "gateway" sign and landscaping improvements at Route 83 and Robert Parker Coffin Road (the "**Gateway Sign**"), subject to the Village acquiring any necessary easement rights therefor. Prior to the Parcel 1 Closing, the Parties shall agree upon the maximum contribution of Pinnacle with respect to, and the maximum cost of, the Gateway Sign. In addition, the design, materials, and dimensions of the Gateway Sign shall be subject to the mutual agreement of the Village and Pinnacle in accordance with the maximum cost agreed upon by the Parties.

4. Additional Connection Fees: Water connection fees as may be established by the Village shall be due and owing in connection with the development of Parcels 2-4 of the Land. Notwithstanding the preceding sentence, in the event that Pinnacle extends a water main along the Archer Road right-of-way from Robert Parker Coffin Road to Old McHenry Road and dedicates the same to the Village without charge or expense, then the Village agrees that it shall waive connection fees for Parcels 2-4 (exclusive of the Sunset Recapture).

5. Deferred Amount under RDA. Under the RDA, Sunset Grove is obligated to deliver payment to the Village of a "**Deferred Amount**" totaling \$470,367.17. Upon the Parcel 1 Closing, the Village shall permit Sunset Grove to transfer its obligation to pay the Deferred Amount to Pinnacle, and the Village, Pinnacle, and Sunset Grove shall execute a "**Transferee Assumption Agreement**" in a form reasonably acceptable to the Village. The Transferee Assumption Agreement shall provide for the transfer of the obligation to pay the Deferred Amount from Sunset Grove to Pinnacle, Pinnacle's assumption of such obligation relating to the Deferred Amount, and the Village's release of Sunset Grove's obligations relating to the Deferred Amount. As part of the Transferee Assumption Agreement, the Village will also agree to defer further payment of the Deferred Amount until 1 January 2020. In addition, the Village agrees to waive portions of the Deferred Amount subject to the following terms:

- a. If Pinnacle (i) secures a building permit for a principal building on one of the Parcels of the Land within 18 months after the Water Line Closing, and (ii) thereafter receives a certificate of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$250,000.00 of the Deferred Amount.
- b. If Pinnacle (i) secures building permits for principal buildings on two of the Parcels of the Land within 18 months after the Water Line Closing, and (ii) thereafter receives certificates of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$400,000.00 of the Deferred Amount.
- c. If Pinnacle (i) secures building permits for principal buildings on at least three of the Parcels of the Land within 18 months after the Water Line Closing, and (ii)

thereafter receives certificates of occupancy therefor within eight months of permit issuance, the Village agrees to waive all of the Deferred Amount.

- d. If Pinnacle (i) secures a building permit for a principal building on one of the Parcels of the Land within 24 months after the Water Line Closing, and (ii) thereafter receives a certificate of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$200,000.00 of the Deferred Amount.
- e. If Pinnacle (i) secures building permits for principal buildings on two of the Parcels of the Land within 24 months after the Water Line Closing, and (ii) thereafter receives certificates of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$350,000.00 of the Deferred Amount.
- f. If Pinnacle (i) secures building permits for principal buildings on at least three of the Parcels of the Land within 24 months after the Water Line Closing, and (ii) thereafter receives certificates of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$450,000.00 of the Deferred Amount.
- g. If Pinnacle (i) secures a building permit for a principal building on one of the Parcels of the Land within 30 months after the Water Line Closing, and (ii) thereafter receives a certificate of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$150,000.00 of the Deferred Amount.
- h. If Pinnacle (i) secures building permits for principal buildings on two of the Parcels of the Land within 30 months after the Water Line Closing, and (ii) thereafter receives certificates of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$300,000.00 of the Deferred Amount.
- i. If Pinnacle (i) secures building permits for principal buildings on at least three of the Parcels of the Land within 30 months after the Water Line Closing, and (ii) thereafter receives certificates of occupancy therefor within eight months of permit issuance, the Village agrees to waive \$400,000.00 of the Deferred Amount.

6. Continued Effect. The provisions of Part II of this Agreement shall survive the closing of any of the Parcels of the Land and shall not be merged into the Deed.

**PART III: CONVEYANCE REQUIREMENTS.**

1. Conveyance of Land. The Village shall convey Parcel 1, 2, 3, and/or 4 of the Land to Pinnacle by a quitclaim deed, subject to the terms of this Part III of the Agreement.

2. Closing Location. The Closings described in part I of this Agreement shall take place at the office of Chicago Title Insurance Company ("**Title Company**") located at 171 N. Clark Street, Chicago, Illinois, unless the parties otherwise agree in writing.

3. Brokers. Each Party hereby represents and warrants to the other that neither it nor its agents or representatives have engaged or contacted any broker with respect to the sale and purchase transaction contemplated herein. Each of the Parties shall indemnify and save the other harmless from any claim by any broker or other person for commissions or other

compensation for bringing about the transactions contemplated hereby where such claim is based on the purported employment or authorization of such broker or other person by such party. The representations and warranties of this Section 3 of Part III shall survive the Closing.

4. **Conditions Precedent to Closing.** In addition to any conditions provided in other provisions of this Agreement, Pinnacle's obligation to purchase any of the Parcels of the Land is and shall be conditioned upon all terms and provisions precedent to Closing as set forth in this Agreement having been satisfied.

5. **Title and Survey.**

A. **Title Commitment.** Within twenty-one (21) days after the Effective Date of this Agreement, Village shall deliver or cause to be delivered to Pinnacle or Pinnacle's agent, a preliminary title commitment for an owner's title insurance policy issued by the Title Company in the amount of \$10,000.00 ("**Title Commitment**").

B. **Survey.** Within 30 days after the Effective Date, the Village shall deliver a current boundary survey depicting each of the parcels on the Land ("**Survey**").

C. **Title and Survey Review.** Within seven (7) days after the receipt of the Title Commitment, Pinnacle shall either approve in writing the exceptions contained in the Title Commitment or specify in writing any exceptions in the Title Commitment to which Pinnacle reasonably objects or any objections arising from any Survey completed pursuant to Section 5.B of this part III of the Agreement ("**Title Objection(s)**"). If Pinnacle does not object to any exceptions, Pinnacle shall be deemed to have approved the exceptions contained in the Title Commitment. If Pinnacle objects to any exceptions, the Village shall, within seven (7) days after the receipt of Pinnacle's objections ("**Cure Period**"), deliver to Pinnacle written notice that either (i) the Village will at the Village's expense, attempt to remove the Title Objection(s) from the Title Commitment or have the Title Company insure or endorse over the Title Objection(s) before the Closing Date or (ii) the Village is unwilling or unable to remove any such Title Objection(s) by the Closing Date. In the event the Village gives written notice that it is unwilling or unable to remove any such Title Objection(s) by the Closing Date, Pinnacle may, upon notice to the Village within five (5) days after the expiration of the Cure Period, (i) elect to terminate this Agreement and Pinnacle and Village shall have no further obligations under this Agreement or (ii) elect to proceed with the closing on the affected Parcel(s) of the Land subject to such Title Objection(s) and shall have the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount.

D. **Title Policy.** Title to the Land shall be insured by an ALTA 2006 form of owner's policy of title insurance (06/17/06) ("**Title Policy**") issued by the Title Company in the amount of the Purchase Price for each of the Parcels of the Land with extended coverage over all general exceptions, and subject only to: (i) general taxes not yet due or payable, (ii) Title Objection(s) not removed or cured, (iii) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of Closing and which Village has agreed to remove upon Closing, and (iv) the standard printed exceptions (other than the general exceptions) contained in the Title Policy (collectively, "**Permitted Exceptions**"). The Title Policy shall be conclusive evidence of good title as therein shown to all matters insured by the Title Policy, subject only the Permitted Exceptions.

2. **Real Estate Documents.** The Village must, promptly after full execution of this Agreement, provide to Pinnacle, copies of all of the following that are within Village's possession or control (collectively, the "**Real Estate Documents**"):

A. Existing environmental reports (including but not limited to Phase I and Phase II environmental studies), and documents relating to the existence of underground storage tanks, hazardous waste or toxic substances and soil studies, if any;

B. All other studies, reports, maps and documents related to the Land that are reasonably available to Village, including, without limitation, engineering reports, surveys, environmental reports, traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same, but excluding market analyses.

If, within 10 days after receiving the Real Estate Documents, Pinnacle determines that the Land will not be suitable for the intended purposes, Pinnacle may terminate this Agreement.

3. **Closing Documents.** At the Closing for each of the Parcels, the Village shall deliver or cause to be delivered to Pinnacle the following: (a) Quitclaim Deed subject only to the Permitted Exceptions, (b) ALTA statement, (c) Exemption Certification confirming that Village is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, (d) 1099 Solicitation, (e) A personal "GAP" undertaking of Village, (f) Transfer Declarations as required by the state and county, and (g) such other documents and instruments as may reasonably be required by the Title Company to consummate this transaction. In addition, Village and Pinnacle shall jointly execute and submit a Closing Statement to the Title Company at Closing.

4. **Adjustments to Purchase Price.** General taxes and other similar items shall be adjusted ratably as of the time of closing. The amount of the current general taxes not then ascertainable shall be adjusted on the basis of the most recent full year ascertainable tax bill. The taxes will be re-prorated upon receipt of the final tax bill. The Village represents that the Land (and each of its parcels) is currently exempt from real estate taxes.

5. **Village Representations and Warranties.**

A. **Authority.** The execution and delivery of this Agreement by the Village, and the performance of this Agreement by the Village, have been duly authorized by the Village, and this Agreement is binding on the Village and enforceable against the Village in accordance with its terms. No consent of any creditor, investor, judicial or administrative body, governmental authority, or other governmental body or agency, or other party to such execution, delivery and performance by the Village is required. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in a breach of, default under, or acceleration of, any agreement to which the Village is a party or by which the Village or the Land is bound; or (ii) violate any restriction, court order, agreement or other legal obligation to which the Village and/or the Land is subject.

B. **United States Person.** The Village represents that it is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and therefore is exempt from the withholding requirements of said Section.

C. **Condemnation.** The Village does not have knowledge of any pending or threatened condemnation or other governmental taking proceedings affecting all or any part of the Land.

D. **Litigation.** There is no pending or, to Village's knowledge, threatened litigation against the Land or any transaction contemplated hereby. There is no pending or, to Village's knowledge, threatened litigation or governmental proceedings against Village that, if such litigation or proceedings were to result in a final determination against Village, would have a material adverse effect on or result in a material encumbrance upon the Land, or would materially affect the validity or enforceability of this Agreement or the performance of the Village under this Agreement.

E. **Real Estate Documents.** To Village's knowledge, the Village will deliver to Pinnacle true and complete copies of the Real Estate Documents in its possession or reasonable control.

F. **Environmental Matters.** Except as otherwise disclosed in the Real Estate Documents delivered to Pinnacle, the Village has not received notification from any governmental authority and the Village otherwise has no knowledge that (i) all or some portion of the Land violates any Environmental Laws (as defined herein); or (ii) any Hazardous Substances (as defined herein) have been stored or generated at, released or discharged from or are present upon the Land. "Environmental Law" means any federal, state or local law, ordinance, rule, or regulation in effect on the date of this Agreement which regulates the use, generation, handling, storage, treatment, transportation, decontamination, clean-up, removal, encapsulation, enclosure, abatement or disposal of any Hazardous Substance, including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Sections 2601, et seq., the Clean Water Act, 33 U.S.C. Sections 1251 et seq., and the Hazardous Materials Transportation Act, 49 U.S.C., Section 1802. "Hazardous Substances" shall mean any hazardous substances or materials as defined in the Environmental Laws.

G. **Compliance with Laws and Codes.** Except as otherwise disclosed in the Real Estate Documents delivered to Pinnacle, Village has not received any written notice advising or alleging that, and Village has no actual knowledge that, the entirety of the Land, and the use and operation thereof, are not in compliance with all applicable municipal and other governmental laws, ordinances, rules, regulations, codes (including, without limitation, environmental laws), licenses, permits and authorizations, and to Village's knowledge, there are presently and validly in effect all licenses, permits and other authorizations necessary for the use, occupancy and operation of the Land as it is presently being operated.

6. **Escrow.** This Agreement shall close through an escrow ("**Escrow**") with the Title Company, in accordance with the general provisions of the usual form of "New York Style" Deed and Money Escrow Agreement then in use by the Title Company, with such special provisions inserted in the escrow agreement as may be required to conform to this Agreement. Upon the creation of the Escrow, anything herein to the contrary notwithstanding, payment of the Purchase Price and delivery of the Closing Documents shall be made through the Escrow and this Agreement will be deposited in the Escrow. The cost of the Escrow shall be divided equally between the parties.

7. **Closing Costs.** Village shall bear the cost of the Title Policy, the cost to record any instruments necessary to clear the Village's title, and one half the cost of the Escrow. Pinnacle shall bear the cost of any recording fees with respect to the Deed and one half the cost of the Escrow. All other costs and expenses in connection with the transaction contemplated by this Agreement shall be borne by Pinnacle and Village in the manner in which such cost and

expenses are customarily allocated between the parties at closings of real property similar to the Land in Lake County, Illinois.

8. **Risk of Loss.** The risk of condemnation to the Land shall be borne by Village until title has been conveyed to Pinnacle. If, prior to the Closing Date, any portion of the Land is made subject to eminent domain proceedings, then Village shall immediately notify Pinnacle and Pinnacle may elect to: (a) terminate this Agreement not later than twenty (20) days after receipt of Village's notice without cost, obligation or liability on Pinnacle's part, in which event all rights and obligations of the parties hereunder shall cease; or (b) consummate the transaction contemplated hereby, in which event (i) Village will assign and turn over to Pinnacle all of the proceeds allocable to the Land from such eminent domain proceedings, and (ii) the parties will proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price. If Pinnacle fails to notify Village of its election within said 20 day period, such failure shall constitute an election to terminate this Agreement as aforesaid. Closing shall be adjusted to allow for such election.

9. **Remedies.** If Village should breach any of its covenants, conditions, representations or warranties contained in this Agreement or should fail to consummate the sale contemplated herein for any reason other than Pinnacle's default, and provided Pinnacle is not then in default hereunder, Pinnacle may, upon five (5) days written notice to Village, if such breach or failure is not cured within such five day period, in addition to all remedies contained elsewhere in this Agreement (i) terminate this Agreement, without further liability on Pinnacle's part and receive immediate return of any moneys deposited in the Escrow; or (ii) enforce specific performance of this Agreement. If Pinnacle should breach any of its covenants contained in this Agreement (and Village shall not be in default hereunder), Village may, upon five (5) days written notice to Pinnacle, if such breach is not cured within such five-day period, terminate this Agreement without further liability on Village's part. Village shall not have any other remedy for any default by Pinnacle.

10. **Notices.** All notices herein required shall be in writing, addressed to the parties at their respective addresses provided below, and will be delivered in person, or by nationally recognized overnight courier service, or sent by United States certified or registered mail, postage prepaid, return receipt requested, or by use of a facsimile machine with proof of transmission (so long as a copy of such notice with proof of transmission is simultaneously sent by one of the other methods described herein). If sent by overnight courier service, the Notice shall be deemed to have been received the next business day after depositing the Notice with the overnight courier and, if mailed, the Notice shall be deemed to have been received two (2) business days after the date of mailing. Until further notice sent in accordance with these notice provisions, the addresses of the parties to which such Notices are to be addressed are as follows:

If intended for the Village:

Village of Long Grove  
3110 RFD  
Long Grove, Illinois 60047-9635  
Telephone: (847) 634-9440  
Facsimile: (847) 634-9408  
Attn: David A. Lothspeich  
Village Manager

With a copy to:

Victor Filippini  
Filippini Law Firm LLP  
990 Grove Street  
Suite 220

Evanston, Illinois 60201  
Telephone: (312) 300-6549  
Facsimile: (312) 324-0668

If intended for Pinnacle:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: (847) \_\_\_\_\_  
Facsimile: (847) \_\_\_\_\_

With a copy to:

John Mays  
Gould & Ratner LLP  
222 North LaSalle Street  
Suite 800  
Chicago, Illinois 60601  
Telephone: 312-899-1618  
Facsimile: 312.236.3241

11. **Miscellaneous.**

A. **Uniform Vendor and Pinnacle Risk Act.** The provisions of the Uniform Vendor and Pinnacle Risk Act of the State of Illinois shall be applicable to this Agreement.

B. **Bulk Sales.** Village represents and warrants that it is exempt from the provisions of 35 ILCS 5/902 of the Illinois Income Tax Act and 35 ILCS of 120/5j of the Retailers' Occupation Tax Act.

C. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Illinois.

D. **Time.** Time is of the essence of this Agreement.

E. **Execution.** This Agreement may be executed in one or more counterparts, which together shall constitute one and the same instrument. This Agreement may be executed via facsimile and the parties agree that facsimile execution hereof shall be binding upon the parties.

F. **Limitation of Liability.** Upon the Closing, Pinnacle shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of Village and shall not assume or discharge any debts, obligations, liabilities or commitments of Village, whether accrued now or hereafter, fixed or contingent, known or unknown, other than those specifically agreed to between the parties and set forth in this Agreement.

**PINNACLE CAPITAL ARCHER, LLC**

**VILLAGE OF LONG GROVE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_